

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2021

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Revenue	463,798	311,112	2,633,096	2,313,482
Cost of sales	(376,909)	(263,432)	(2,070,976)	(1,864,745)
Gross profit	86,889	47,680	562,120	448,737
Operating expenses	(31,791)	(30,966)	(144,384)	(152,785)
Other operating (expenses) / income	(1,603)	(26,094)	19,272	(14,463)
Operating profit / (loss)	53,495	(9,380)	437,008	281,489
Interest income	437	871	1,669	4,137
Finance costs	(650)	(783)	(2,231)	(3,001)
Share of profit / (loss) in associated companies, net of tax	7,512	(1,712)	35,830	40,146
Profit / (Loss) before taxation	60,794	(11,004)	472,276	322,771
Taxation	(9,316)	(3,369)	(94,985)	(73,249)
Profit / (Loss) from continuing operations	51,478	(14,373)	377,291	249,522
(Loss) / Profit from discontinued operations, net of tax <N1>	(110)	(11,147)	8,896	(10,171)
Profit / (Loss) for the period	51,368	(25,520)	386,187	239,351
Profit / (Loss) attributable to:				
Owners of the Company	39,839	(29,572)	291,882	169,318
Non-controlling interests	11,529	4,052	94,305	70,033
Profit / (Loss) for the period	51,368	(25,520)	386,187	239,351
Earnings / (Loss) per ordinary share (sen):-				
(a) Basic	12.67	(9.41)	92.87	53.92
(b) Fully diluted	N/A	N/A	N/A	N/A

<N1> Hume Marketing Co Sdn. Bhd. ("HMKT") and Hume Roofing Products Sdn. Bhd. ("HRP"), both wholly-owned subsidiaries of the Company, had ceased business operations in the 4th Quarter of the preceding financial year ended 30 June 2020. Accordingly, the financial results of HMKT and HRP are separately disclosed as discontinued operations.

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2021 (Cont'd)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Profit / (Loss) for the period	51,368	(25,520)	386,187	239,351
Other comprehensive (expense)/income, net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net change in fair value of equity investments at fair value through other comprehensive income	(402)	4,690	61,567	4,412
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences from foreign operations	7	112	41	29
Share of other comprehensive (expense) / income of equity accounted associates, net of tax	(106)	1,511	(3,183)	6,296
Cash flow hedge	49	(2,467)	584	302
Total other comprehensive (expense) / income for the period	(452)	3,846	59,009	11,039
Total comprehensive income / (expense) for the period	50,916	(21,674)	445,196	250,390
Total comprehensive income / (expense) attributable to:				
Owners of the Company	39,372	(24,971)	350,713	180,265
Non-controlling interests	11,544	3,297	94,483	70,125
Total comprehensive income / (expense) for the period	50,916	(21,674)	445,196	250,390

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.


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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	As At End of Current Quarter	As At End of Preceding Financial Year
	30/06/2021 RM'000	30/06/2020 RM'000
ASSETS		
Property, plant and equipment	259,585	265,789
Rights-of-use assets	29,064	33,195
Investment properties	4,000	4,000
Investments in associated companies	165,149	155,354
Other investments	93,395	32,282
Intangible assets	19,128	15,309
Deferred tax assets	25,112	14,925
Tax credit receivables	960	1,929
TOTAL NON-CURRENT ASSETS	596,393	522,783
Inventories	302,692	212,600
Trade and other receivables, including derivatives	202,023	244,148
Current tax assets	2,467	8,503
Short-term money market fund	233,308	-
Cash and cash equivalents	1,029,139	1,211,109
TOTAL CURRENT ASSETS	1,769,629	1,676,360
TOTAL ASSETS	2,366,022	2,199,143
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	321,217	321,217
Reserves	1,608,540	1,420,321
Treasury shares - at cost	(63,318)	(63,318)
	1,866,439	1,678,220
NON-CONTROLLING INTERESTS	147,738	159,898
TOTAL EQUITY	2,014,177	1,838,118
LIABILITIES		
Lease liabilities	8,423	10,529
Deferred tax liabilities	5,357	5,766
Employee benefits	23,043	24,890
TOTAL NON-CURRENT LIABILITIES	36,823	41,185
Borrowings (unsecured)	12,600	16,980
Lease liabilities	3,740	3,423
Trade and other payables, including derivatives	277,418	274,665
Tax payable	21,264	24,772
TOTAL CURRENT LIABILITIES	315,022	319,840
TOTAL LIABILITIES	351,845	361,025
TOTAL EQUITY AND LIABILITIES	2,366,022	2,199,143
Net assets per share attributable to owners of the Company (RM)	5.94	5.34

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020

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QUARTERLY REPORTED ON CONSOLIDATED RESULTS FOR THE FORTH QUARTER ENDED 30 JUNE 2021

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

	Attributable to owners of the Company							Distributable			
	Non-distributable										
	Share capital	Treasury shares	Exchange fluctuation reserve	Other reserves	Hedging reserve	Reserve for own shares	Executive share scheme reserve	Retained earnings	Total	Non-controlling interest	Total equity
Current year-to-date ended 30 June 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2020	321,217	(63,318)	28,019	3,714	(2)	(16,138)	3,650	1,401,078	1,678,220	159,898	1,838,118
Profit for the period	-	-	-	-	-	-	-	291,882	291,882	94,305	386,187
Other comprehensive (expense)/income: -											
Gain on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	61,567	61,567	-	61,567
Foreign currency translation differences	-	-	41	-	-	-	-	-	41	-	41
Share of other comprehensive expense of equity accounted associates, net of tax	-	-	(3,183)	-	-	-	-	-	(3,183)	-	(3,183)
Cash flow hedge	-	-	-	-	406	-	-	-	406	178	584
Total comprehensive (expense) / income for the period	-	-	(3,142)	-	406	-	-	353,449	350,713	94,483	445,196
Share-based payments/transactions											
Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	-	439	(2,992)	2,553	-	-	-
Dividend	-	-	-	-	-	-	-	(163,452)	(163,452)	(107,065)	(270,517)
Total transactions with owners of the Company	-	-	-	-	-	439	(2,034)	(160,899)	(162,494)	(106,643)	(269,137)
At 30 June 2021	321,217	(63,318)	24,877	3,714	404	(15,699)	1,616	1,593,628	1,866,439	147,738	2,014,177

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021 (Cont'd)

	←-----Attributable to owners of the Company----->										
	←-----Non-distributable----->						-----Distributable----->				
	Share capital	Treasury shares	Exchange fluctuation reserve	Other reserves	Hedging reserve	Reserve for own shares	Executive share scheme reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Preceding year corresponding period ended 30 June 2020											
At 1 July 2019	321,217	(63,318)	21,694	3,714	(212)	(16,469)	4,563	1,356,064	1,627,253	136,062	1,763,315
Profit for the period	-	-	-	-	-	-	-	169,318	169,318	70,033	239,351
Other comprehensive income/(expense): -											
Gain on fair value equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	4,412	4,412	-	4,412
Foreign currency translation differences	-	-	29	-	-	-	-	-	29	-	29
Share of other comprehensive income of equity accounted associates, net of tax	-	-	6,296	-	-	-	-	-	6,296	-	6,296
Cash flow hedge	-	-	-	-	210	-	-	-	210	92	302
Total comprehensive income for the period	-	-	6,325	-	210	-	-	173,730	180,265	70,125	250,390
Share-based payments/transactions	-	-	-	-	-	-	1,530	-	1,530	672	2,202
Shares vested under Executive Share Scheme ("ESS")	-	-	-	-	-	331	(2,443)	3,188	1,076	(1,076)	-
Dividend	-	-	-	-	-	-	-	(131,904)	(131,904)	(45,885)	(177,789)
Total transactions with owners of the Company	-	-	-	-	-	331	(913)	(128,716)	(129,298)	(46,289)	(175,587)
At 30 June 2020	321,217	(63,318)	28,019	3,714	(2)	(16,138)	3,650	1,401,078	1,678,220	159,898	1,838,118

Dividends received by trusts set up for the Executives Share Scheme ("ESS") ("ESS Trusts") amounted to RM2,673,000 (30 June 2020: RM2,274,000) are eliminated against the dividend expenses of the Company following the consolidation of ESS Trust.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED
30 JUNE 2021

	Current Year- To-Date	Preceding year Corresponding Period
	30/06/2021	31/06/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation		
- From continuing operations	472,276	322,771
- From discontinued operations	9,165	(8,859)
	<u>481,441</u>	<u>313,912</u>
Adjustments for: -		
Share of profit in associated companies, net of tax	(35,830)	(40,146)
Depreciation and amortisation	61,917	60,284
(Reversal of impairment loss) / provision of impairment loss on property, plant and equipment	(4,336)	11,830
Dividend income	(22,974)	(33,045)
Non-cash items	(3,921)	4,209
Net financing expense / (income)	461	(1,206)
Operating profit before changes in working capital	<u>476,758</u>	<u>315,838</u>
Changes in working capital		
Net change in current assets	(49,597)	137,048
Net change in current liabilities	2,757	(34,190)
Taxation paid	(102,353)	(84,421)
Net financing (expense paid) / income received	(461)	1,206
Dividend received	45,827	87,921
Retirement benefits paid	-	(337)
Net cash generated from operating activities	<u>372,931</u>	<u>423,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(34,695)	(47,858)
Addition of intangible assets	(16,726)	(9,306)
Placement in short-term money market fund	(233,308)	-
Proceeds from disposal of property, plant & equipment	7,904	1,547
Proceeds from disposal of other investment	-	6,448
Net cash used in investing activities	<u>(276,825)</u>	<u>(49,169)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(3,226)	(3,226)
Dividend paid to owners of the Company	(163,452)	(131,904)
Dividend paid to non-controlling shareholders of subsidiary companies	(107,065)	(45,885)
Drawdown of borrowings	128,169	111,599
Repayment of borrowings	(132,549)	(133,349)
Net cash used in financing activities	<u>(278,123)</u>	<u>(202,765)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(182,017)	171,131
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,211,109	1,039,941
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	47	37
CASH & CASH EQUIVALENTS AT END OF PERIOD	<u>1,029,139</u>	<u>1,211,109</u>

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statements of financial position amounts:

	30/06/2021	30/06/2020
	RM'000	RM'000
Deposits, cash and bank balances	<u>1,029,139</u>	<u>1,211,109</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 30 June 2020.

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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the financial year ended 30 June 2020. This interim financial report also complies with International Accounting Standards 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2020 except for the adoption of MFRSs, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2020 which are applicable to the Group. The initial adoption of these applicable MFRSs, amendments and interpretations do not have any material impact on the financial statements of the Group.

2. Qualification of audit report of the preceding annual financial statements

The audit report for the preceding annual financial statements was not qualified.

3. Seasonality or cyclicity of interim operations

There has been no material seasonal or cyclical factor affecting the results of the quarter under review.

4. Nature and amounts of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year-to-date.

5. Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial years

There were no changes in estimates of amounts reported in the prior financial years.

6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

(a) There were no shares bought back during the quarter under review and financial year-to-date. The total number of ordinary shares bought back as of 30 June 2021 was 8,432,500 ordinary shares and the shares are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016.

(b) During the financial year-to-date, a total of 145,057 existing ordinary shares in the Company (“HLI Shares”) held in a ESS Trust were transferred to eligible executives of the Group arising from the vesting of free HLI Shares pursuant to the ESS.

There were no additional shares purchased by the ESS Trusts during the quarter under review and financial year to date.

As of 30 June 2021, the total number of HLI Shares held by the ESS Trusts was 5,092,916 ordinary shares.

There was no issuance of shares, shares cancellation, resale of treasury shares or repayment of debt or equity securities during the quarter under review and financial year-to-date.

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7. **Dividend paid**

The Company has paid the following dividends during the current financial year-to-date:-

	Current year-to-date RM'000
First interim single tier dividend of 17.0 sen per share, paid on 23 December 2020	54,310
Second interim single tier dividend of 35.0 sen per share, paid on 25 June 2021	111,815
	<u>166,125</u>

8. **Operating Segments**

The Group's segmental report for the financial year-to-date is as follow: -

	Consumer Products	Discontinued Operations - Industrial Products	Total
	RM'000	RM'000	RM'000
Segment profit	407,655	9,064	416,719
Included in the measure of segment profit are:			
Revenue from external customers	2,384,220	10,848	2,395,068
Depreciation and amortisation	52,443	169	52,612
Reconciliation of reportable segment profit			
Profit			
Reportable segment (included discontinued operations)			416,719
Non-reportable segment			29,353
Less: Profit from discontinued operations			(9,064)
Interest income			1,669
Finance costs			(2,231)
Share of profit in associated companies, net of tax			35,830
Consolidated profit before taxation (excluding discontinued operations)			<u>472,276</u>
		External revenue RM'000	Depreciation and amortisation RM'000
Reportable segment (included discontinued operations)		2,395,068	52,612
Non-reportable segment		248,876	9,305
Less : Discontinued operations		(10,848)	(169)
Total		<u>2,633,096</u>	<u>61,748</u>

9. **Material events not reflected in the financial statements**

There are no material subsequent events to be disclosed as at the date of this report

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10. Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations other than as mentioned below:

The following Company's subsidiaries have been placed under member's voluntary liquidation: -

- (a) Glenex Sdn Bhd, an indirect wholly-owned subsidiary
- (b) Stonenet Sdn Bhd, a wholly-owned subsidiary; and
- (c) Maxider Sdn Bhd, a wholly-owned subsidiary.

The liquidations are currently pending tax clearance from the Inland Revenue Board and final meeting to be convened.

11. Review of Performance

For the quarter under review, the Group (excluding Discontinued Operations) recorded revenue of RM464 million and profit before taxation ("PBT") of RM61 million as compared with revenue of RM311 million and loss before taxation ("LBT") of RM11 million for the corresponding quarter of the preceding financial year ended 30 June 2020 ("FY2020").

For the financial year-to-date, the Group (excluding Discontinued Operations) recorded revenue of RM2,633 million and PBT of RM472 million as compared with revenue of RM2,313 million and PBT of RM323 million for the corresponding period of FY2020.

The increase in revenue and PBT as compared with the corresponding quarter/period of FY2020 were mainly contributed by higher sales across all product segments and the improved operational efficiencies which reduced cost.

12. Material changes in profit before taxation against the immediate preceding quarter

For the quarter under review, the Group (excluding Discontinued Operations) recorded PBT of RM61 million as compared with PBT of RM162 million for the preceding quarter. The lower PBT for the quarter under review as compared with the preceding quarter was due to lower sales across all product segments as impacted by MCO imposed in the month of June during the quarter under review, coupled with lower profit contribution from associated companies.

13. Prospects

The Covid-19 pandemic continues to be the greatest uncertainty to be managed. Barring any further Movement Control Orders, the Board expects the Group's performance for the financial year ending 30 June 2022 to be satisfactory.

14. Profit forecast/profit guaranteed

This note is not applicable.

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15. Profit / (Loss) before taxation

	Current Year Quarter	Current Year To-date
	30/06/2021 RM'000	30/06/2021 RM'000
Profit / (Loss) before taxation is arrived at after (charging)/crediting: -		
Continuing operations		
Gross dividend income from other investments	5,820	22,974
Depreciation and amortisation	(16,869)	(61,748)
(Provision of impairment loss) / Reversal of impairment loss on property, plant and equipment	(351)	4,336
Payment of retrenchment cost	-	(13,316)
Reversal of impairment loss on trade receivables	189	727
(Provision) / Reversal of provision for slow moving of inventories	(5,462)	7,097
Loss on foreign exchange	(1,789)	(2,834)
Fair value loss of equity investment at fair value through profit or loss	(296)	(455)
Gain on disposal of property, plant and equipment	2,697	3,417
Discontinued operations		
Depreciation and amortisation	(32)	(169)
Gain on disposal of property, plant and equipment	-	3,013
Reversal of impairment loss on trade receivables	124	6,602

16. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year- To-Date	Preceding Year Corresponding Period
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Current taxation				
Malaysian - current year	12,679	4,249	98,808	73,515
- prior years	120	8,472	6,074	8,447
Overseas - current year	-	(98)	-	(98)
- prior years	-	(39)	-	(39)
	12,799	12,584	104,882	81,825
Deferred taxation				
Malaysian - current year	(2,446)	(1,596)	(2,446)	(1,662)
- prior years	(815)	(6,662)	(7,182)	(5,602)
	(3,261)	(8,258)	(9,628)	(7,264)
	9,538	4,326	95,254	74,561
Income tax attributable to continuing operations				
	9,316	3,369	94,985	73,249
Income tax attributable to discontinued operations				
	222	957	269	1,312
	9,538	4,326	95,254	74,561

The Group's effective tax rate for the financial year-to-date is lower than the statutory tax rate mainly due to certain income not taxable.

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17. Corporate Proposal

There are no corporate proposals announced but not completed as at the date of this report.

18. Group's borrowings and debt securities

Particulars of the Group's borrowings and debt securities as at 30 June 2021 is as follow: -

	RM'000
Unsecured short-term borrowings	<u>12,600</u>

There were no borrowings denominated in foreign currencies as of 30 June 2021.

19. Changes in Material Litigation

There are no material litigations as at the date of this report.

20. Dividend

- (a) The Board does not recommend any final dividend for the financial year ended 30 June 2021.
- (b) For the financial year-to-date, a total single tier dividend of 52.0 sen per share (FY2020: a total single tier dividend of 42.0 sen per share) has been declared.

21. Earnings / (Loss) Per Ordinary Share

(a) Basic earnings per ordinary share

The basic earnings per ordinary share for the quarter under review is calculated by dividing the group's profit attributable to owners of the Company of RM39,839,000 (4th quarter FY2020: loss attributable to owners of the Company RM29,572,000) by weighted average number of ordinary shares during the quarter of 314,380,000 (4th quarter FY2020: 314,108,000).

The basic earnings per share for the financial year-to-date is calculated by dividing the Group's profit attributable to owners of the Company of RM291,882,000 (4th quarter FY2020: RM169,318,000) by the weighted average number of ordinary shares during the quarter of 314,281,000 (4th quarter FY2020: 314,026,000).

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21. Earnings Per Ordinary Share (cont'd)

Weighted average number of ordinary shares

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30/06/2021 '000	30/06/2020 '000	30/06/2021 '000	30/06/2020 '000
Issued ordinary shares at beginning of period	327,905	327,905	327,905	327,905
Treasury shares held at beginning of period	(8,432)	(8,432)	(8,432)	(8,432)
ESS Trust Shares held at beginning of period	(5,093)	(5,371)	(5,238)	(5,480)
	314,380	314,102	314,235	313,993
Effect of Trust Shares vested/sold	-	6	46	33
Weighted average number of ordinary shares (basic)	314,380	314,108	314,281	314,026

(b) Diluted earnings per ordinary share

The Group's diluted earnings per ordinary share for the quarter under review and financial year-to-date approximates its basic earnings per ordinary share.

The Group had no dilution in its earnings per ordinary share for the preceding year's corresponding quarter/period as there were no dilutive potential ordinary shares.

22. Derivatives

The Group has entered into a number of forward foreign exchange contracts by subsidiaries to hedge the cash flow risk in relation to the variations of cash flows arising from future forecasted transactions.

The forward foreign exchange contracts are stated at fair value using observable market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models and option pricing models, as appropriate.

As at 30 June 2021, the contract amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Contract amount	Fair Value Assets / (Liabilities)
	RM'000	RM'000
Less than 1 year	96,222	583

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The figures have not been audited

22. Derivatives (cont'd)

Derivatives (which are classified as financial assets/liabilities) categorised as fair value through profit or loss are subsequently measured at their fair values with the gains/losses recognised in profit or loss. Gains/losses arising from fair value changes of derivatives is as disclosed in Note 15.

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the previous financial year ended 30 June 2020.

23. Gains/losses arising from fair value changes of financial liabilities

Other than derivatives which are classified as financial liabilities when they are at fair value loss position, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

By Order of the Board
Hong Leong Industries Berhad

Wong Wei Fong
Valerie Mak Mew Chan
Company Secretaries

Kuala Lumpur
20 September 2021